
MARYLAND DEPARTMENT OF LABOR TESTIMONY ON SB0225

TO: Senate Finance Committee
FROM: Maryland Department of Labor
DATE: 1/29/2025
BILL: SB0225 Family and Medical Leave Insurance Program – Application Year and Participation of Self-Employed Individuals

MD Labor POSITION: SUPPORT

SB 225 provides the Family and Medical Leave Insurance (FAMLI) Division of the Maryland Department of Labor (MD Labor) with additional flexibility to develop an opt-in election for self-employed individuals. MD Labor urges a favorable report with sponsor amendments on SB 225.

Maryland is one of 14 states that either is in the process of or has implemented paid family and medical leave insurance. Many of the states that have implemented programs before Maryland have similar language in their statute that created an opt-in provision for self-employed individuals. Unfortunately, the approximate take up rate in those states is just under 2% with most states under 1%. (New York and Massachusetts skew the results with the highest rates at about 6% and 2.5% respectively.)¹

A major barrier to participation is that the structure of those programs (upon which the Maryland statute is modelled) is based on employees who receive regular wages and can rely on their employer to withhold. Self-employed individuals have neither. Through SB 225, MD Labor is requesting the ability to research and develop a

¹ Molly Weston Williamson, "Self-Employed Worker's Access to State Paid Leave Programs in 2024." Center for American Progress. Accessed at: <https://www.americanprogress.org/article/self-employed-workers-access-to-state-paid-leave-programs-in-2024/>.

program for self-employed individuals that would more effectively deliver paid leave benefits.

MD Labor has already convened two stakeholder workgroup sessions to discuss how a self-employed option could be developed that would incentivize participation, reduce the administrative burden for participants, promote equity, and protect the trust fund. SB 225 provides MD Labor with additional time and flexibility to continue those conversations and operationalize accordingly.

MD Labor is also proposing three amendments to SB 225. The first amendment would provide authority to the Comptroller to share tax information with the FAMLII Division of MD Labor. Sharing information would provide the Division with additional tools to detect fraud in employer and claimant submissions. We urge the adoption of the amendment.

The second sponsor amendment provides MD Labor with the ability to pay claimants more frequently than every two weeks, if it deems beneficial. Providing this additional flexibility would benefit claimants and provide flexibility to the Department and private plans to set an appropriate schedule for payments.

The third sponsor amendment creates an “anchor date” for eligibility and benefit determination dates. Under current law, claimants have a 120-day period to file a claim (60 days before leave begins until 60 days after). In order to accurately process a claim and timely calculate a benefit amount, it is essential to identify the date that claim determinations should be anchored to. MD Labor proposed in its amendment to set the “anchor date” as the earlier of when a claimant files a claim or when leave begins. Using this definition, MD Labor and private plans will be able to process claims and determine benefit amounts on claims that are filed during the 60-day period before leave begins.

MD Labor respectfully requests the Committee adopt a Favorable Report with sponsor amendments on SB 225.

For questions, please contact Andrew Fulginiti, at **Andrew.Fulginiti@maryland.gov**.